



PROGRAMME FUNDED BY THE EU



Directive EC 2008/92 on Gas and Electricity Prices

Kiev, 8 October 2014

Peter Dal, Senior Expert

BUILDING PARTNERSHIPS FOR ENERGY SECURITY

www.inogate.org

Outline



- TA-4 Development of a reporting system on energy prices
- ESAP for Ukraine – Energy prices
- Energy statistics in general
- Gas and Electricity prices (Directive 2008/92/EC)
 - Industrial end-users, Directive 2008/92/EC
 - Household prices (Voluntary basis)
- Recommendations for the price statistics
- Links

The presentation has focus on Directive 2008/92/EC



ANNEX 2 – AREAS FOR TECHNICAL ASSISTANCES UNDER THE ITS PROJECT



TA-4 Development of a reporting system on energy prices

- **TA – 4.1.** Development of a methodology for gas prices reporting
- **TA – 4.1.** Development of a methodology for electricity prices reporting
- **TA – 4.2.** Reporting on gas and electricity prices

www.inogate.org



ESAP for Ukraine on Energy price statistics (1)



- SSSU collects and publishes monthly energy statistics (chapter 4.3)
- **Key area 4:** Improvement of a reporting system for monthly energy statistics in general
- **Key area 5: Development of a reporting system on energy prices**
- Ukraine has signed on 19th of October 2012 the liability for the implementation of Directive 2008/92 on transparency of gas and electricity prices charged to industrial end-users.



Energy prices in general

www.inogate.org



Energy price statistics in general



- A solid price statistics improves the transparency for all actors in economic transactions (companies and citizens)
- In general, price statistics is by nature a difficult area (a challenge)
- Often, more public and private institutions are involved in price statistics - this may contribute to an unclear picture
- A great range of prices: Many energy products and many periodicities (from hourly or daily to annually)
- Traditions, definitions and tax structure vary over time and from country to country

www.inogate.org



Various kinds of price statistics



- Spot market prices
- Foreign trade statistics: Import and export prices
- Energy prices included in the consumer price index
- Private “non public” consumer prices, e.g. Oil prices (daily, weekly and monthly)
- **Directive 2008/92/EC: Gas and Electricity prices**

www.inogate.org





Gas and Electricity prices Directive 2008/92/EC

www.inogate.org



Eurostat questionnaires on energy (incl. Directive 2008/92/EC and instructions)



- Annual questionnaires
- Monthly questionnaires
- Half-yearly questionnaires (gas and electricity prices)
- <http://epp.eurostat.ec.europa.eu/portal/page/portal/energy/questionnaires>

www.inogate.org



Overview of methodology for the collection of natural gas and electricity prices



Industrial prices (may include other non-residential users): **DIRECTIVE 2008/92/EC**

Household prices: voluntary basis

6 months averaging (twice per year: January and July)

Consumption bands

National prices

3 levels of prices (depending on taxes)

Disaggregated electricity prices

Every 2 years: Reporting price systems

www.inogate.org



Population of the statistics

Prices to be reported are prices paid by industrial end-users buying gas and electricity for their own use

- **All industrial uses of electricity are considered**
- **All industrial uses of gas are considered. However, the system excludes consumers who use gas**
 - for electricity generation in power plants or in CHP plants,
 - in non-energy uses (e.g. in the chemical industry),
 - above 4 000 000 gigajoule (GJ) per year

Industrial end-user may include other non-residential user



www.inogate.org



Frequency of data collection and expression of prices



- **Prices will be collected twice per year**, at the beginning of each six-month period (January and July) and **will refer to the average prices** paid by industrial end-users over the previous six months
- Gas prices must be expressed in national currency per gigajoule (*GCV*)
- Electricity prices must be expressed in national currency per kWh
- **Prices must include all charges payable** (however, initial connection charges are not to be included) and are to be recorded as national average prices.

Three levels of prices are to be provided



- Prices excluding taxes and levies,
- Prices excluding VAT and other recoverable taxes,
- Prices including all taxes, levies and VAT

www.inogate.org



Gas prices surveyed for the following categories of industrial end-user



Annual gas consumption (GJ, gross calorific value)

- Band-I1 < 1 000
- Band-I2 1 000 < 10 000
- Band-I3 10 000 < 100 000
- Band-I4 100 000 < 1 000 000
- Band-I5 1 000 000 <= 4 000 000



Electricity prices surveyed for the following categories of industrial end-user

Annual electricity consumption (MWh)

- Band-IA < 20
- Band-IB 20 < 500
- Band-IC 500 < 2 000
- Band-ID 2 000 < 20 000
- Band-IE 20 000 < 70 000
- Band-IF 70 000 <= 150 000

The statistics has to be explained



- *Once every two years*, together with the January price reporting, information about the compilation system applied will be communicated to Eurostat
- *Once per year*, together with the January price re-
porting, information about the main average characteristics and factors affecting the prices reported for each consumption band will be communicated to Eurostat
- *Once per year*, together with the January reporting, the rates and method of calculation as well as a description of the taxes levied on sales should also be reported
- *Once per year*, together with the January price reporting, a breakdown of electricity prices into their main components will be communicated to Eurostat.

Communication to Eurostat



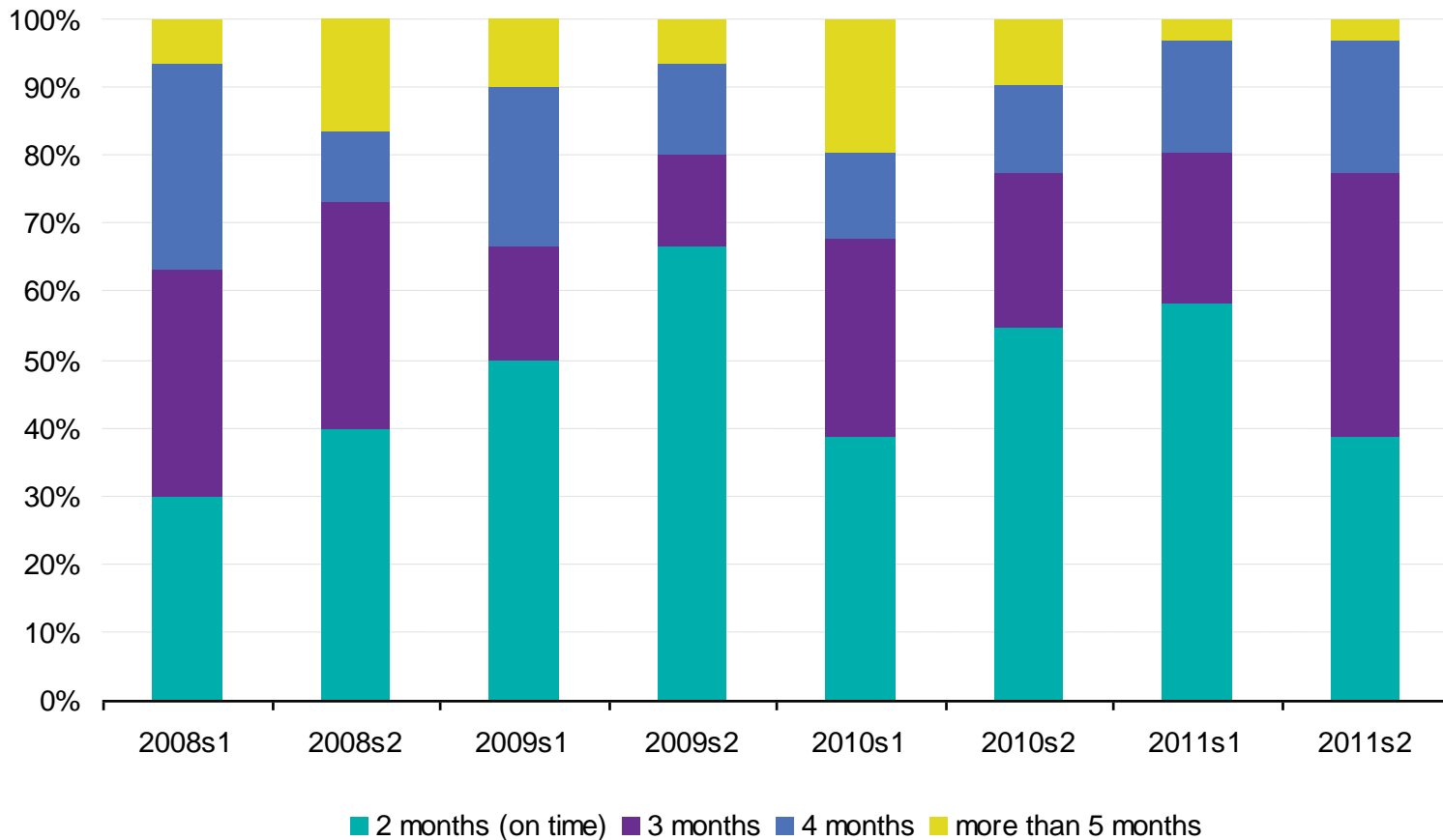
www.inogate.org

- In Member States where *one company* covers all the industrial sales, the information may be communicated by that company. In Member States where *more than one company* operates, the information should be communicated by an independent statistical body.
- In several EU countries, the data collection and statistics are prepared by company associations and forwarded to the responsible public body. The public body communicates with Eurostat.
- It is very helpful if the price directive is implemented into national legal acts.



Price statistics is not easy.

Cumulated reporting delays, Electricity



Electricity price data for medium industrial consumers in €/kWh (2011 semester 2)



0.250

0.200

0.150

0.100

0.050

0.000

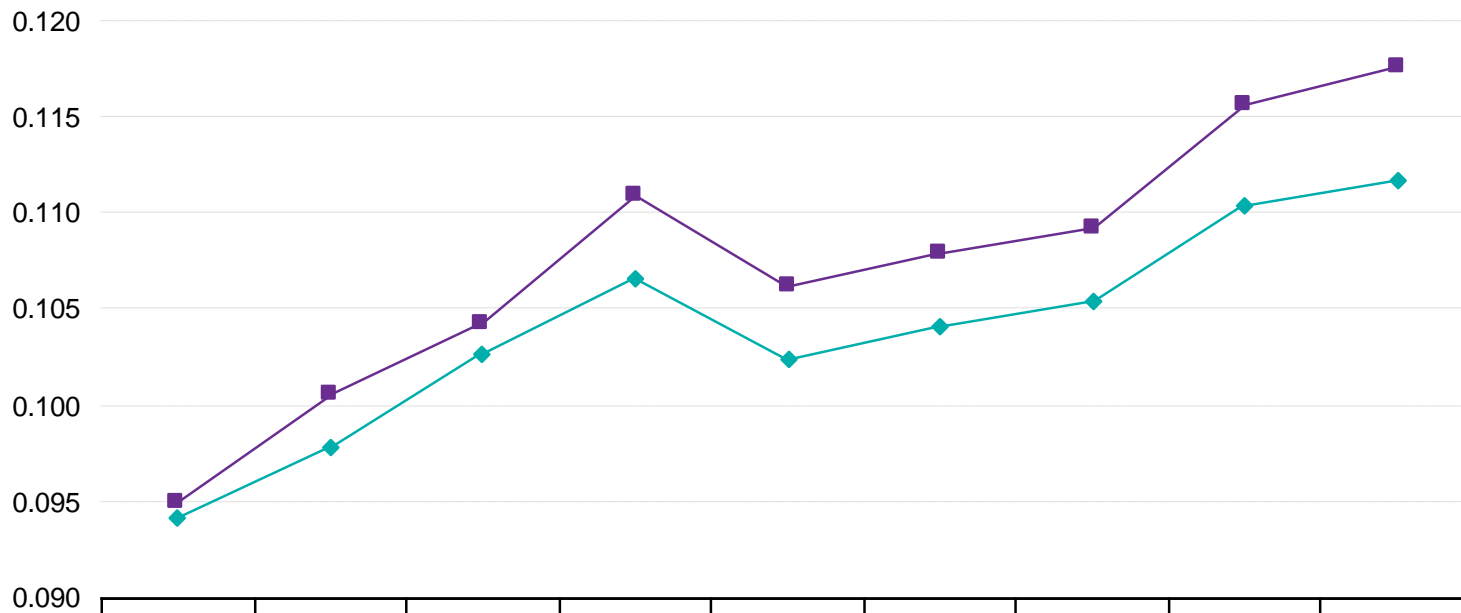
BA BG FI EE TR RO FR SE HR NO DK NL PL SI HU LU PT LT UK CZ LV EL EU-27 BE ES EA DE SK IE IT MT CY

■ Without taxes and levies ■ Non recoverable taxes and levies

www.inogate.org



Evolution of electricity prices for medium industrial consumers in €/kWh

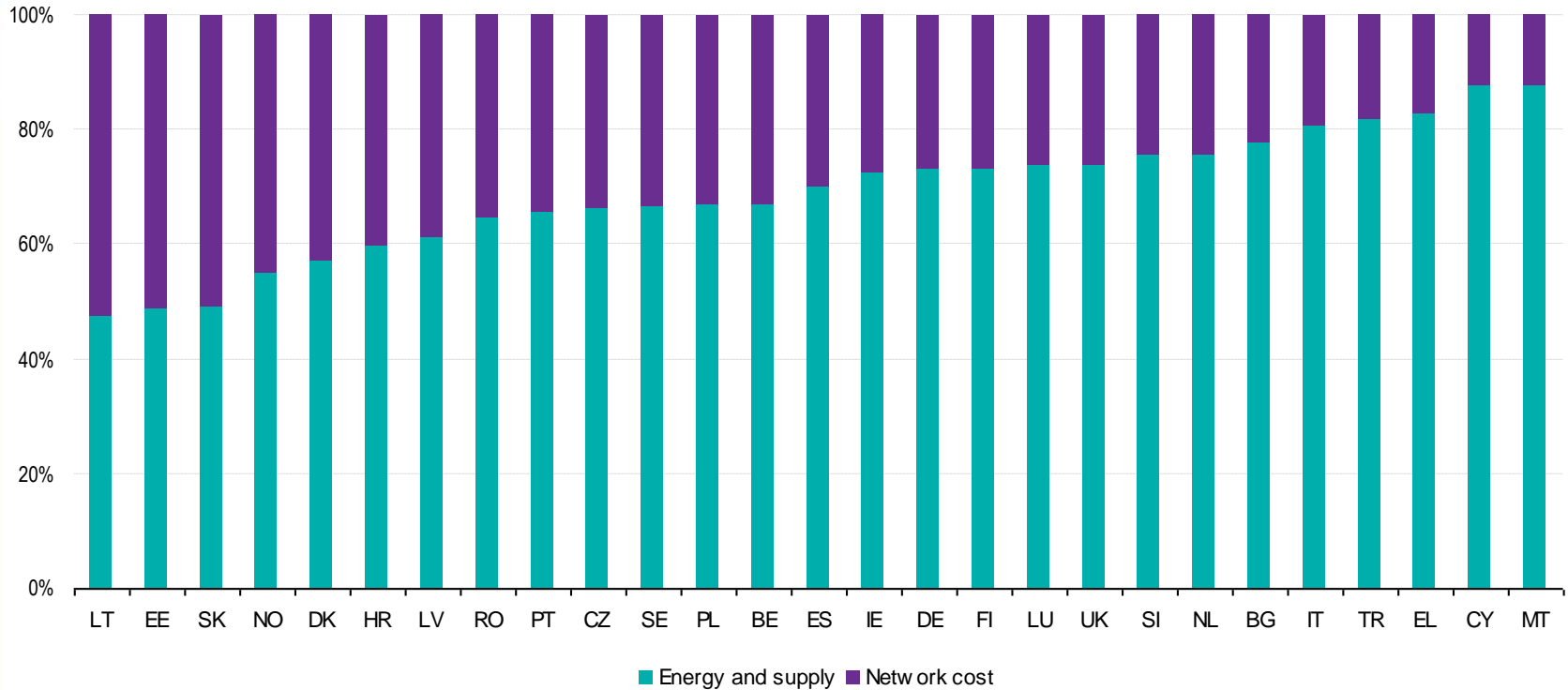


	2007s2	2008s1	2008s2	2009s1	2009s2	2010s1	2010s2	2011s1	2011s2
EU-27	0.094	0.098	0.103	0.107	0.103	0.104	0.105	0.111	0.112
EA	0.095	0.101	0.104	0.111	0.106	0.108	0.109	0.116	0.118

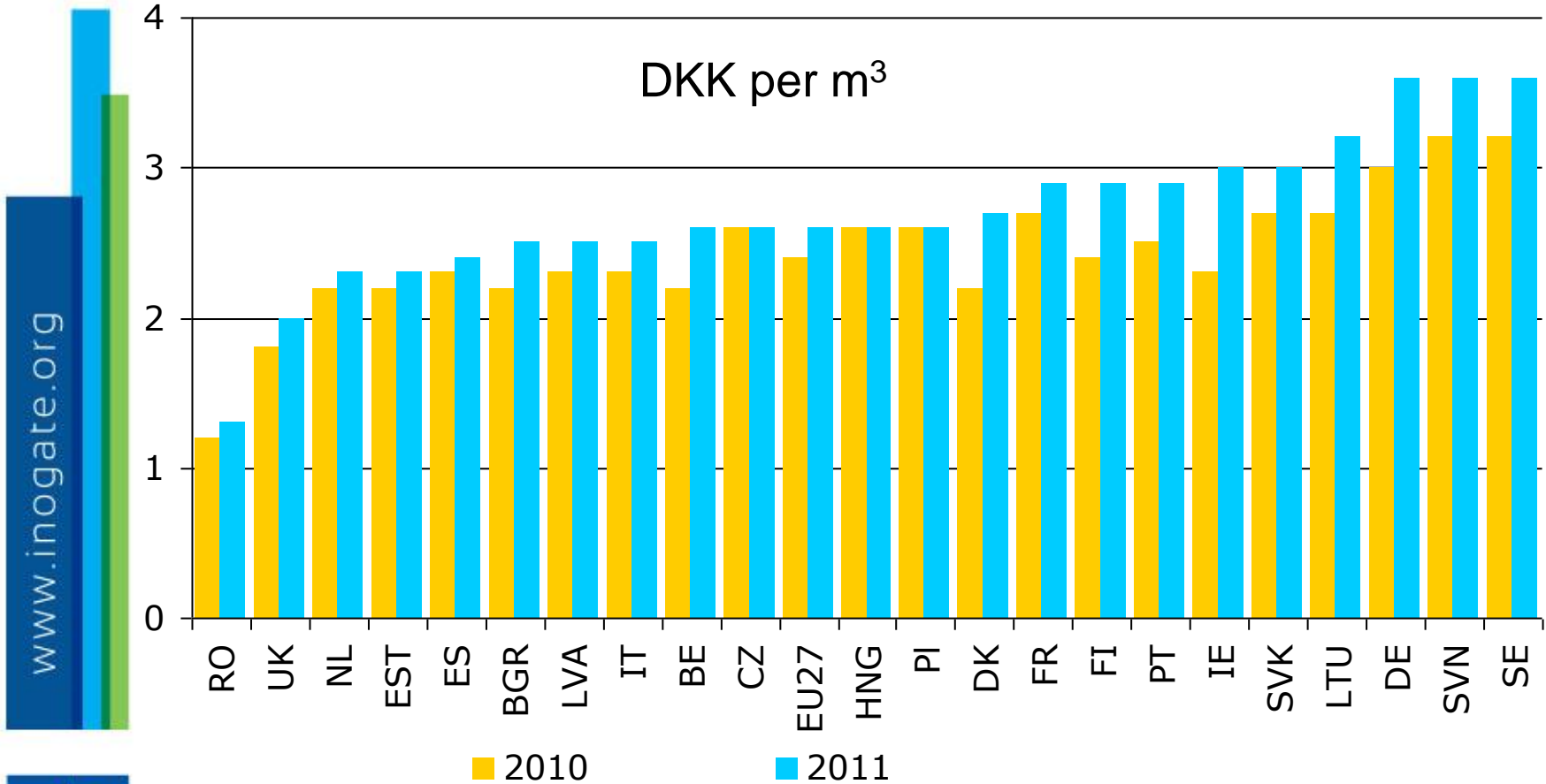
Share of network costs in electricity price for industrial consumers, without taxes, 2011s2 (in %)



www.inogate.org



Natural gas prices, excl. VAT and taxes for industrial customers (10 000-100 000 GJ)



www.inogate.org



Eurostat contact



Responsible person for the price statistics
in Eurostat : Johannes Görten

E-mail: Johannes.Goerten@ec.europa.eu

Phone: +352 4301 34 203

Johannes Görten is informed about the INOGATE project and welcome questions about electricity and gas prices. Johannes Görten has been very helpful for preparing this presentation.

www.inogate.org





Recommendations for the price statistics

www.inogate.org



Recommendations for the price statistics



- The starting point is the existing national statistical and institutional infrastructure
- Prioritize the establishment of price statistics for gas and electricity in line with Directive 2008/92/EC
- SSSU should involve the energy companies as much as possible. Legal acts may be needed
- Optimize the co-operation between the national institutions and the energy companies
- Ensure that price statistics are suitable for domestic needs as well as international obligations
- Take part in the international co-operation on price statistics and establish personal contacts with colleagues from other countries

www.inogate.org



Re co-operation between the national institutions and the energy companies



The Danish model:

- Statistics Denmark is the responsible authority (only institution with legal contact to Eurostat)
- Optimize the co-operation between the national institutions and the energy companies/associations
- Danish Energy Agency has provided the legal framework
- Electricity prices are prepared by the Danish Energy Association (long tradition for energy statistics)
- Natural gas prices are prepared in a cooperation of more partners

www.inogate.org



Links



- Energy price statistics, Eurostat

http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Energy_price_statistics **Very informative!**

- Energy Oil Bulletin, European Commission

http://ec.europa.eu/energy/observatory/oil/bulletin_en.htm

- Eurostat questionnaires/Instructions on energy

<http://epp.eurostat.ec.europa.eu/portal/page/portal/energy/questionnaires>

www.inogate.org





Thank you for attention!

Peter Dal

Senior Expert, Energy Statistics

**INOGATE Technical Secretariat and Integrated Programme
in support of the Baku Initiative and the Eastern
Partnership energy objectives**

www.inogate.org

